

# IFM Investors

## Global Infrastructure Fund

Prepared for:



MENDOCINO COUNTY EMPLOYEES  
RETIREMENT ASSOCIATION



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Risks of IFM Investors' investment programs typically include: assets of IFM Investors funds may have limited liquidity; distributions are uncertain, a return on your investment is not guaranteed and you may lose all or a substantial amount of your investment; unfavorable economic conditions in the markets in which IFM Investors funds operate could adversely affect your investment; assets acquired with leverage have risks including loss of value and limits on flexibility needed if there are changes in the business or industry.

Liquidity- An investment in the Partnership provides limited liquidity since withdrawal rights are not unqualified and Interests may not be transferred without the prior written consent of the General Partner, which generally may be withheld in its absolute discretion. Although the portfolio investments may generate some current income, they are expected to be generally illiquid.

Valuation- Most of the portfolio investments will be highly illiquid, and will most likely not be publicly traded or readily marketable.

Economic conditions- Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value of portfolio investments made by the Master Fund or considered for prospective investment.

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Leverage- Portfolio investments may include businesses whose capital structures may have significant leverage.

An infrastructure investment is subject to certain risks including: the burdens of ownership of infrastructure; local, national and international economic conditions; the supply and demand for services from and access to infrastructure; the financial condition of users and suppliers of infrastructure assets; changes in interest rates and the availability of funds which may render the purchase, sale or refinancing of infrastructure assets difficult or impractical; changes in environmental and planning laws and regulations, and other governmental rules; environmental claims arising in respect of infrastructure acquired with undisclosed or unknown environmental problems or as to which inadequate reserves have been established; changes in energy prices; changes in fiscal and monetary policies; negative economic developments that depress travel; uninsured casualties; force majeure acts, terrorist events, under insured or uninsurable losses; and other factors beyond reasonable control. Please consult the constituent documents for more information on risks specific to infrastructure investing.

An investment in any of these investment programs should be made only after careful review of the risk factors described in the related offering documents. This Information may contain material provided by third parties for general reference or interest. While such third party sources are believed to be reliable, IFM Investors does not assume any responsibility for the accuracy or completeness of such information. This Information does not constitute investment, legal, accounting, regulatory, taxation or other advice and the Information does not take into account your investment objectives or legal, accounting, regulatory, taxation or financial situation or particular needs. You are solely responsible for forming your own opinions and conclusions on such matters and for making your own independent assessment of the Information. This Information is confidential and should not be distributed or provided to any other person without the written consent of IFM Investors.

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A low-angle photograph of a Boeing 777-300ER aircraft at an airport gate. The aircraft is white with "BOEING 777-300" visible on the fuselage. A tall, dark light pole with a multi-lamp head extends from the bottom left towards the top center. The background is a clear sky. The entire image has a teal-green color overlay. The text "IFM Investors Firm Overview" is centered in white, bold, serif font.

# IFM Investors Firm Overview

# Firm Overview

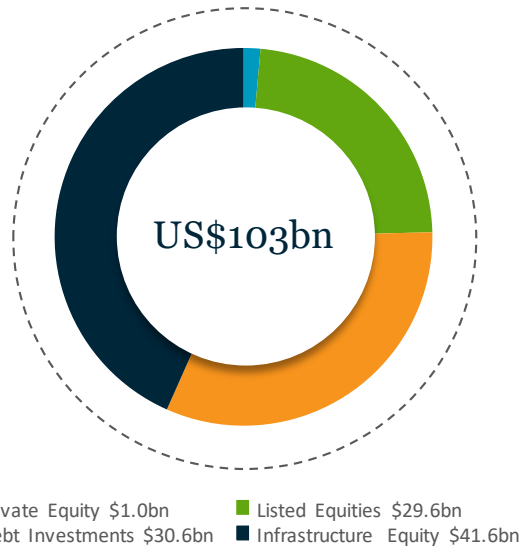


*IFM Investors is a truly aligned global fund manager investing across multiple asset classes*

**Established & owned by  
27 pension funds**



**US\$103 billion across  
four asset classes<sup>(1)</sup>**



**9 strategic global  
locations**



New York | Berlin | Melbourne | Hong Kong  
London | Zurich | Sydney | Seoul | Tokyo

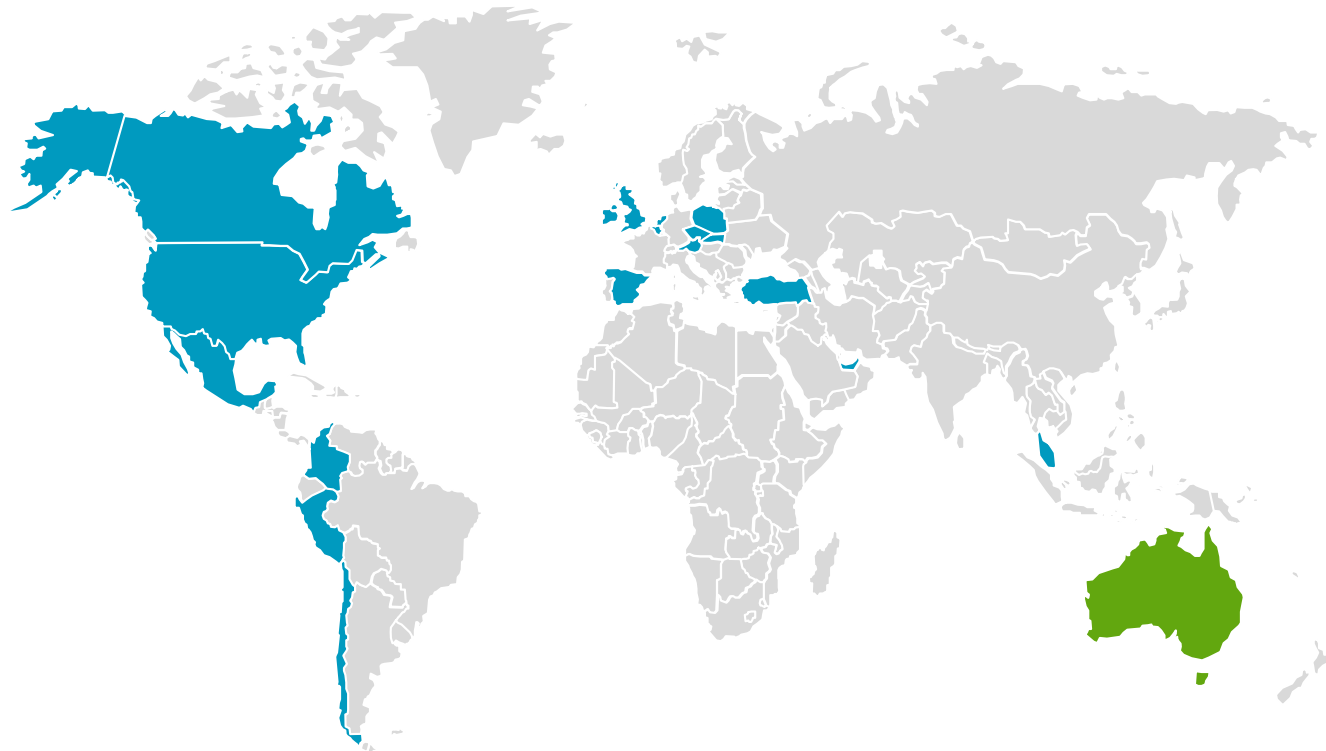
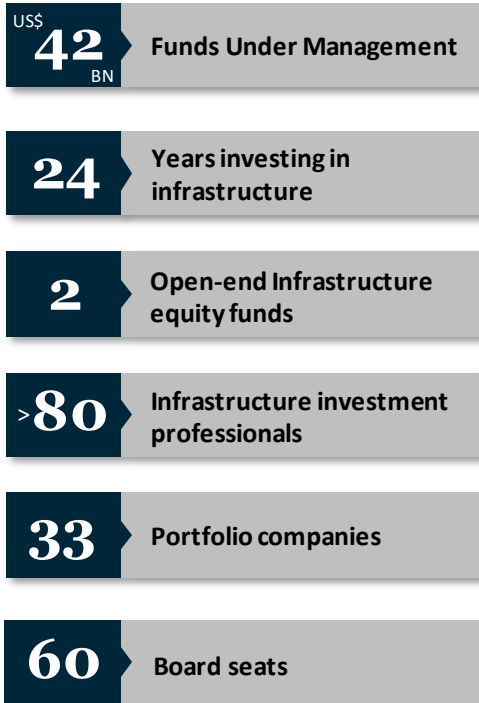
**A distinct ownership model, focusing on the prosperity of our investors**

(1) As at September 30, 2019. \$103bn represents the market value of investments and undrawn investor commitments. Differences may be due to rounding.

# Infrastructure Equity



*With a track record of over two decades, IFM Investors is a leader in infrastructure investment with global scale*



Global Infrastructure Fund (GIF)  
Incepted in December 2004  
16 <sup>(1)</sup> Portfolio Companies



Australia Infrastructure Fund (AIF)  
Incepted in August 1995  
17 Portfolio Companies

All figures as at September 30, 2019. Differences may be due to rounding.

(1) Does not include the transaction for Buckeye Partners, which reached financial close on November 1, 2019.

A low-angle photograph of a Boeing 777-300ER aircraft at an airport gate. The aircraft is white with "BOEING 777-300" visible on the fuselage. A tall, dark light pole with a multi-lamp head extends from the bottom left towards the top center of the frame. The background shows a hazy sky. The entire image has a strong greenish-blue color cast. The text "IFM Global Infrastructure Fund" is overlaid in the center in a white serif font.

# IFM Global Infrastructure Fund



# IFM Global Infrastructure Fund (IFM GIF)



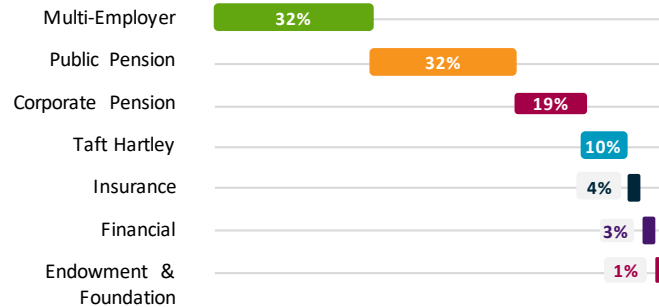
*IFM Investors manages infrastructure investments for long-term institutional investors globally. We ultimately hold ourselves accountable to their 30 million members and retirees.*



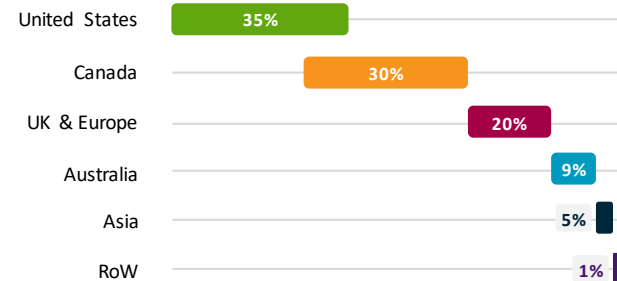
**Serving 362 investors**

As at September 30, 2019

## FUM by Investor Type <sup>(1)</sup>



## Number of Investors by Region



1. FUM represents total NAV of the IFM Global Infrastructure Master Fund plus all undrawn investor commitments and cash available for investment in USD. Differences due to rounding.



# IFM Investors' global talent network



**Kyle Mangini**

Global Head of Infrastructure



**Julio Garcia**

Head of North America



**Christian Seymour**

Head of Europe



**Michael Hanna**

Head of Australia

**9**  
years average tenure at IFM Investors<sup>(1)</sup>

**23**  
Languages Spoken

**21**  
years average industry experience<sup>(1)</sup>

**170**  
support staff across Legal, Tax & Ops

**92**  
**Professionals**

## **72** Investment Team

### Infrastructure specialists

- ▶ Origination and agile transactional capability
- ▶ Deal team stays with asset, ensuring optimal alignment and continuity
- ▶ Deep sector knowledge

## **16** Asset Management Specialists

### Support investment team for value creation across portfolio

- ▶ Managing key asset risks
- ▶ Enhancing asset performance
- ▶ Leveraging portfolio's scale to generate synergies

## **4** Portfolio Management

### Improving efficiency of portfolio

- ▶ Portfolio insight
- ▶ Determining optimal asset allocations
- ▶ FX, structuring and liquidity management

**Diverse Skill Set**



IB/ Capital Markets



Operations



Regulation/  
Government  
/ Legal



Project Management

(1) Representative of employees who are Director and above in title.

# Investment Focus



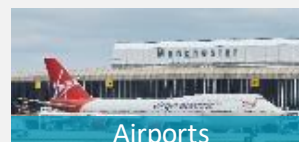
*IFM Investors seeks to invest in essential infrastructure assets with distinct characteristics*

## Asset characteristics

- 1 Monopolistic positioning
- 2 Long asset/concession life
- 3 Stable and predictable revenues
- 4 Inflation protection
- 5 Exposure to economic growth
- 6 Targeting investment grade financing
- 7 Stable regulatory environment

## Target sectors

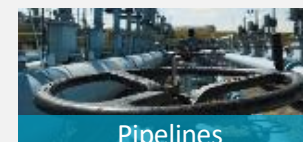
### Transportation



### Utilities



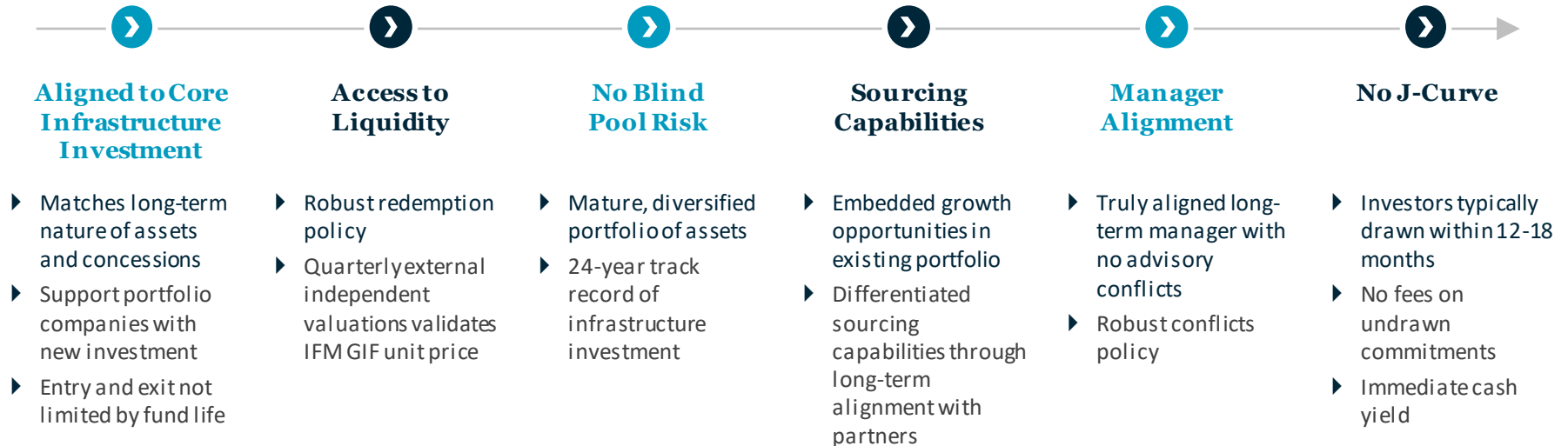
### Energy



# IFM GIF Open-end Fund Benefits



*IFM Investors seeks to match long-term infrastructure investment to investor long-term liabilities.*

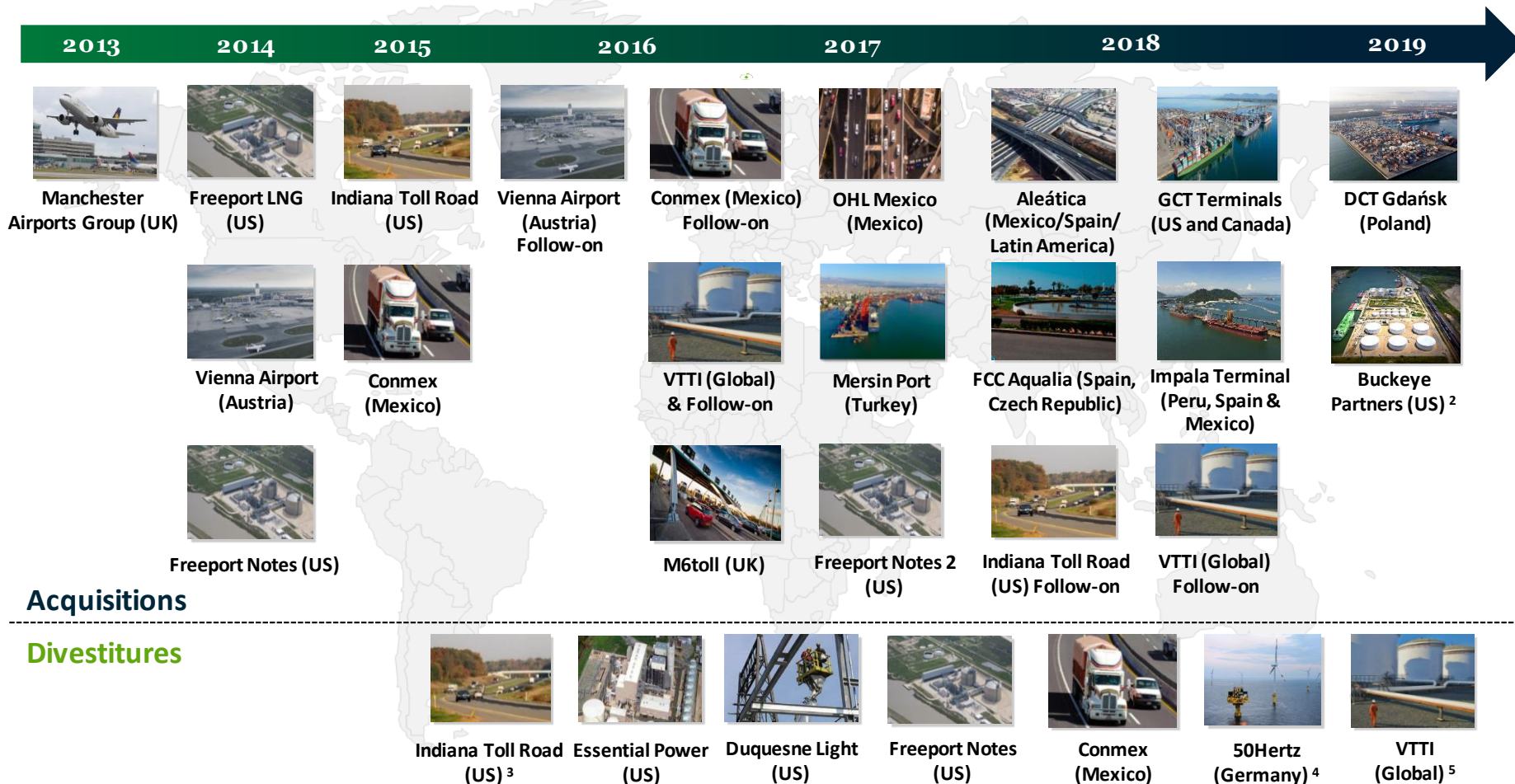


# Portfolio Evolution

## Buy and manage strategy with opportunistic exits



*Since 2013, we have executed 16<sup>(1)</sup> new and 4 follow-on investments, deploying more than US\$20bn*



### Acquisitions

### Divestitures



All investments made since 2013 have been included. This is not a representation of all investments completed since the inception of the Global Infrastructure Fund.

(1) Does not include Buckeye Partners, which reached financial close after the September quarter end.

(2) Buckeye Partners reached financial close on November 1, 2019.

(3) Indiana Toll Road was partially divested in May 2016.

(4) IFM divested its remaining stake in 50Hertz in May 2018.

(5) VTTI was partially divested in September 2019.

# IFM Global Infrastructure Fund

## Diversified global portfolio of 16 investments



16<sup>(1)</sup> portfolio companies across 43 countries

### Americas

### Global

### Europe



Toll Road, US  
Acquired in 2015/2018



Pipelines, US  
Acquired in 2007



Natural gas liquefaction, US  
Acquired in 2014



Ports, US & Canada  
Acquired in 2018



Pipelines and terminals, US  
Acquired in 2019 <sup>(1)</sup>



Base metal terminals,  
Switzerland & Global  
Acquired in 2018



Water,  
Spain & Global  
Acquired in 2018



Marine Terminals,  
Netherlands & Global  
Acquired in 2017/2019



Primarily Toll Roads,  
Spain & Global  
Acquired in 2015-2018



Telecom, UK  
Acquired in 2004



District Heating,  
Poland  
Acquired in  
2006/2010/2011



Water & Sewerage, UK  
Acquired in 2006



Port, Turkey  
Acquired in 2017



Airports, UK  
Acquired in 2013



Airports, Vienna, Malta  
& Slovakia  
Acquired in 2014/2016



Toll Road, UK  
Acquired in 2017



Port, Poland  
Acquired in 2019

(1) Does not include the transaction for Buckeye Partners, which reached financial close on November 1, 2019.



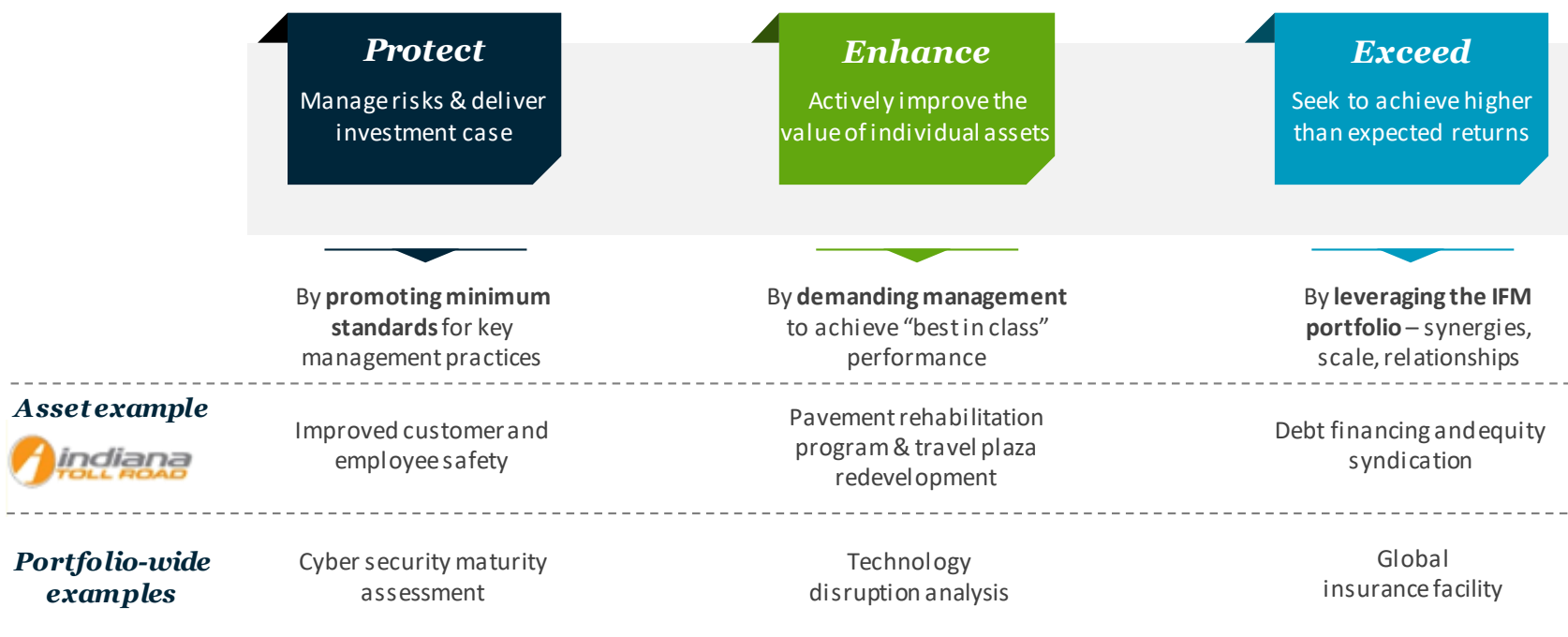


# Asset Management & Responsible Investment

# IFM's Asset Management Approach



*IFM Investors brings operational expertise - and the team's experience in finance, engineering and regulatory management - to add value to the infrastructure portfolio.*



**GIF's open-end structure allows us to drive additional value through active asset management**

**Fund Structure**



The Indiana Toll Road has been included as an example as it is the largest holding in the United States within the Global Infrastructure Fund.



# Approach to Responsible Investment



**IFM Investors has been a signatory to the UNPRI since 2008.**

*We focus on delivering investment returns over the long term in a socially responsible and ethical manner.*

## Our three core beliefs:



**Healthy Environment**



**Inclusive Society**



**Strong Governance**

### **Responsible Investment Charter and ESG Policy**

- ▶ The Charter and Policy articulate our core investment beliefs and how these inform our day-to-day activities.

### **Focused principles**

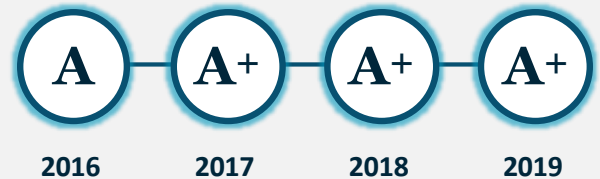
- ▶ Climate change
- ▶ Labor rights: RCP in place since September 2009
- ▶ Diversity and Inclusion
- ▶ Tax Transparency

### **ESG framework**

- ▶ We use a proprietary ESG due diligence framework to support the identification of key ESG focus areas
- ▶ Key sectors have specific guidance notes, best practices and case studies to support the due diligence process



### **IFM scores for Principles of Responsible Investment**



# Sustainable Investment is Fundamental



*IFM looks to ensure best practice and share knowledge on ESG matters across the portfolio.*



- ▶ Support **culture of safety as top priority**
  - ▶ Implementation of a new **Safety Management System** now complete
  - ▶ **Significant system integrity and maintenance** spending program implemented in 2017 / 18
    - ▶ Line 25 decommissioning, IT system upgrades, focusing capex on priority areas
- ▶ Implementation of **solar PV installations to supply power and reduce costs at key sites along corridor**
- ▶ Recent management restructuring resulted in four women being added to the senior management team, **bringing female representation at the executive level to 55%**



- ▶ **Reduced Stansted's carbon footprint by 66% in the first year of IFM ownership**, by switching to MAG's group contract for purchasing low carbon electricity
- ▶ **Manchester is the first airport in the UK to be awarded Level 3+ carbon neutral status**
- ▶ Reported carbon emissions **reduced from 72,000 tonnes in 2006/2007 to zero** as of December 2016
- ▶ **100% of energy purchased from renewable sources** as of December 2016
- ▶ **Over £7.5m of cost savings** in energy conservation, with all projects meeting investment hurdles, including a 3-year payback period



- ▶ Conmex received the **highest score from SAASCAEM (regulator)** among State of Mexico concession highways for quality of service (as of Q3 2017)
- ▶ **Gender diversity program** providing training on non-discrimination and gender equality awareness
- ▶ **Conversion of fleet trucks** to use liquefied petroleum gas, along with **recycling programs and facility renovations**, resulted in a **~6% reduction in carbon footprint** in H1 2017, and **Green Tag program** offering a 20% discount to electric and hybrid vehicles
- ▶ **Enhanced governance** such as establishing an Audit Committee, implementing an enhanced Code of Ethics, and creating a comprehensive risk register



- ▶ Exporting LNG to Asia and Europe will facilitate those countries in **transitioning away from carbon-intensive coal and oil**
- ▶ In addition to the environment aspects, the Freeport project has considerable **social benefits**:
  - ▶ **Creation of ~3,500 construction jobs in the US**
  - ▶ A total **economic stimulus of US\$5-7bn p.a. in the US**
  - ▶ Support **economic development** in recipient countries through delivering a relatively **low cost form of energy**

Assets shown to provide examples of sustainable investment across different sub-sectors within infrastructure.



*One purpose. Shared prosperity.*

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## **IFM (US) Securities, LLC**

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